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# A BILL FOR AN ACT

RELATING TO SPORTS BETTING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. Section 712-1220, Hawaii Revised Statutes, is  
3 amended by amending the definition of "gambling" to read as  
4 follows:

5 "Gambling". A person engages in gambling if [~~he~~] the  
6 person stakes or risks something of value upon the outcome of a  
7 contest of chance or a future contingent event not under [~~his~~]  
8 the person's control or influence, upon an agreement or  
9 understanding that [~~he or~~] someone [~~else~~] will receive something  
10 of value in the event of a certain outcome. Gambling does not  
11 include digital sports betting on a platform licensed pursuant  
12 to state law. Gambling also does not include bona fide business  
13 transactions valid under the law of contracts, including but not  
14 limited to contracts for the purchase or sale at a future date  
15 of securities or commodities, and agreements to compensate for  
16 loss caused by the happening of chance, including but not



1 limited to contracts of indemnity or guaranty and life, health,  
2 or accident insurance."

3 PART II

4 SECTION 2. (a) The department of business, economic  
5 development, and tourism shall establish a pilot program to  
6 license businesses in the State to operate digital sports  
7 betting platforms.

8 (b) The sports betting pilot program shall operate as  
9 follows:

10 (1) The department of business, economic development, and  
11 tourism shall issue licenses to operate digital sports  
12 betting platforms to no more than five businesses in  
13 the State;

14 (2) Each licensing fee shall be \$30,000,000 for the  
15 duration of the pilot program;

16 (3) Each licensee shall provide an annual report to the  
17 department of business, economic development, and  
18 tourism of all sports betting earnings and payouts;  
19 and

20 (4) The department of business, economic development, and  
21 tourism shall provide an annual report to the



1 department of taxation of the payout information for  
2 all sports betting licensees.

3 (c) The department of business, economic development, and  
4 tourism shall submit to the legislature a report on the status  
5 of the sports betting pilot program, including any findings and  
6 recommendations, and any proposed legislation, no later than  
7 twenty days prior to the convening of the regular session of  
8 2022.

9 (d) The pilot program shall cease to exist on June 30,  
10 2025.

11 PART III

12 SECTION 3. Section 712-1220, Hawaii Revised Statutes, is  
13 amended by amending the definition of "gambling" to read as  
14 follows:

15 "Gambling". A person engages in gambling if [~~he~~] the  
16 person stakes or risks something of value upon the outcome of a  
17 contest of chance or a future contingent event not under [~~his~~]  
18 the person's control or influence, upon an agreement or  
19 understanding that [~~he or~~] someone [~~else~~] will receive something  
20 of value in the event of a certain outcome. Gambling does not  
21 include bona fide business transactions valid under the law of



1 contracts, including but not limited to contracts for the  
2 purchase or sale at a future date of securities or commodities,  
3 and agreements to compensate for loss caused by the happening of  
4 chance, including but not limited to contracts of indemnity or  
5 guaranty and life, health, or accident insurance."

6 PART IV

7 SECTION 4. Statutory material to be repealed is bracketed  
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect upon its approval;  
10 provided that:

- 11 (1) Parts I and II shall be repealed on June 30, 2025; and
- 12 (2) Part III shall take effect on July 1, 2025.

13

INTRODUCED BY: Oliver Todd  
JAN 25 2021

# H.B. NO. 736

**Report Title:**

DBEDT; Gambling; Digital Sports Betting; Pilot Program

**Description:**

Amends the definition of gambling to exclude digital sports betting on a platform licensed pursuant to state law. Requires the department of business, economic development, and tourism, to develop a pilot program to license businesses in the State to operate digital sports betting platforms. Provides an amended definition of gambling to be enacted when the pilot program ceases to exist.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

